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October 20, 1983

CONGRESSIONAL RECORD — SENATE

S 14265

AMENDMENT NO. 2350

The PRESIDING OFFICER. The question recurs on the amendment of the Senator from West Virginia.

Mr. PERCY. Mr. President, the amendment by the Senator from West Virginia to the War Powers Resolution of 1973 would conform the procedures under that statute to the holding of the Supreme Court in the *Chadha* case last summer. It would change the congressional veto procedure in section 5(c) of the War Powers Resolution from a concurrent resolution to a joint resolution and would conform the priority procedures of section 7 of War Powers accordingly.

Mr. President, it has been the intention of the Committee on Foreign Relations to conduct a hearing on this issue, among others, on September 29. That hearing was overtaken by our need to consider the resolution relating to Lebanon under the War Powers Act during that same week. It was our intention to reschedule that hearing either later this year, or early next year.

We may still wish to hold such a hearing to discuss a number of pending proposals for changes in the War Powers Resolution, but this is one change in that resolution which, as the majority leader has already stated today, would command nearly unanimous support in the Congress. I strongly support the amendment of the Senator from West Virginia, and urge my colleagues to do likewise. As he has said, we should not leave in limbo the question of how Congress should proceed if it should decide to oppose any particular involvement of U.S. Armed Forces in hostilities abroad. We should make clear how such a legislative directive would be considered and assure that it would be covered by the expedited procedures appropriate to such a grave exercise of our responsibility under the Constitution.

Mr. President, I am aware that there are some commentators and experts—including the distinguished former Senator from New York, Senator Javits, whom I have consulted on this question—who believe that the reasoning of the Supreme Court in the *Chadha* decision does not reach the War Powers Resolution. They would argue, therefore, that there is still life in the concurrent resolution veto procedure presently contained in the War Powers Resolution, or in other words, that section 5(c) containing that procedure was not struck down by decision in June.

Mr. President, there may be some merit to this argument as a matter of constitutional law, that the war powers area is distinguishable from other areas of the Constitution. I took that position and I was joined in that position by my distinguished colleague (Mr. PELL), the ranking minority member of the Committee on Foreign Relations.

In my view, the practical impact of the Supreme Court decision is to remove the value of that provision of the War Powers Act. The uncertainty which would surround any attempt to exercise that provision of the act, and the strong likelihood that the Supreme Court would extend its holding to include the war powers area also, deprive that procedure of any realistic political strength. Furthermore, Mr. President, I know that there are grave doubts on the part of many Members of the Congress, including myself, about both the wisdom and the constitutionality of this provision. Under most circumstances, it should require an extraordinary majority of the Congress to direct the termination of an ongoing military operation, particularly where it has already been previously authorized under the other procedures of the War Powers Act. That is essentially the position we adopted in section 7 of the recent joint resolution 159 on Lebanon, and I think it is appropriate to amend the War Powers Resolution in this fashion.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. WILSON). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. PERCY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. I ask unanimous consent that the pending Byrd amendment be temporarily set aside.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PERCY. There are one or two amendments that will be offered by the distinguished Senator from Wisconsin which I believe are noncontroversial and which can be accepted by both sides.

Mr. PROXMIRE. Mr. President, I thank the distinguished chairman of the Foreign Relations Committee.

AMENDMENT NO. 2369

(Purchase: To deny eligibility for appointment to, or employment by, the National Endowment for Democracy to individuals who have engaged in intelligence activities)

Mr. PROXMIRE. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Wisconsin (Mr. PROXMIRE) proposes an amendment numbered 2369.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place in the bill insert a new section as follows:

No individual may be eligible for appointment as an officer of the National Endowment for Democracy, and no individual may be eligible for employment by the Endowment, if such individual has engaged in any intelligence activity since 1963.

Mr. PROXMIRE. Mr. President, this amendment is designed for a single purpose. That purpose is to protect the National Endowment for Democracy from unwarranted attack abroad as being an agent of the U.S. intelligence community. If the goals and programs of the Endowment are to be effective internationally, this organization must be free from Soviet propaganda which would picture it as an arm of the CIA or some other Western intelligence organization. Such protection can be provided by legislating that officers and employees of the Endowment be free of any intelligence community relationship for the past 20 years.

We all know that the Soviet Union has a vigorous propaganda organization around the globe. One of their common tools is the charge that some U.S. organization really is a front for the CIA. Now it is impossible to control what the KGB says or does abroad. But we can dilute their effectiveness in making false charges by mandating in our law that the Endowment be free of any intelligence connection.

This has been an effective barrier to false charges for our Peace Corps. The world knows that the Peace Corps is prohibited from recruiting individuals with intelligence backgrounds. Prohibitions are contained in detailed language in Peace Corps literature and regulations. This has given the Peace Corps enormous protection from disruptive claims of intelligence relationships.

We should provide the same protection for the endowment which will be operating abroad under similar circumstances and which will be open to the same propaganda attacks.

My amendment prohibits employment by the endowment, including its officers, to any individual who has engaged in any intelligence activity in the past 20 years. By intelligence activity I mean employment by or close association with any U.S. intelligence organization either here in the United States or abroad. I interpret this language to be broad, inclusive, and without qualification—the purpose being to provide a blanket prohibition rather than to allow specific loopholes.

We cannot stop false charges but we can create the climate in the world for making these charges unbelievable. That would take a great advantage away from our adversaries who will be out to discredit the endowment.

I understand that the managers of the bill are familiar with the amendment and have no objection to it.

The PRESIDING OFFICER. Is there objection?

the tragic plight of these people. This section creates a fund for that purpose.

TITLE IV—NATIONAL ENDOWMENT FOR DEMOCRACY

SECTION 401. SHORT TITLE

This section provides a short title of "National Endowment for Democracy Act" for the provisions of this bill. This legislation is a response to the felt need to increase the U.S. public diplomacy effort overseas in a manner which involves U.S. private sector initiatives to strengthen democratic values and institutions abroad.

Over the past 40 years, the United States has been committed to the goals of democratic institution-building abroad. During this same period, the Congress, under both Democratic and Republican leadership, has supported and helped to shape the national consensus in favor of such initiatives. From the earliest days of the Marshall plan, "Point 4" economic assistance, the advent of international broadcasting as an element of public diplomacy, and government-supported exchange programs such as those authorized by the Fulbright-Hays Act, several themes have recurred.

Such initiatives reflected concretely the underlying national consensus on broad U.S. foreign policy goals. Second, the new program did not threaten to undermine either by accident or design the funding and operations of other existing popularly supported programs. Third, the new programs enjoyed genuine bipartisan support across a wide spectrum of American leadership opinion. The programs funded by the National Endowment for Democracy are intended to reflect these criteria.

This new proposal is the result of a 6-month nongovernmental research study by the two major U.S. political parties, labor, and business involving Democrats, Republicans, liberals, moderates and conservatives to design new, private sector approaches which will foster and strengthen democratic values and institutions abroad. Named the Democracy Program, this study was often confused with the Reagan Administration's \$65 million proposal for a "Project Democracy," discussed in Title II above, whose broad purposes are to enhance and increase existing public diplomacy programs of the U.S. Government, and to develop new governmental initiatives, promote democracy and democratic institution-building overseas.

Private sector efforts in the past have been fruitful, except for the AFL-CIO's regional institutes and a range of programs sponsored by leading foundations and private voluntary organizations. Indeed, for several decades, the AFL-CIO has been running regional institutes in Latin America, Africa and Asia, often working under difficult local circumstances in nondemocratic societies to support democratic trade unions and train their organizers. Since World War II, the American labor movement has also been active in efforts to support democratic workers' movements, first in Western Europe when threatened by Communist disruptions in the bleak aftermath of the war, and most recently in Eastern Europe with its assistance to Poland's Solidarity movement.

Nonetheless, there has never been a comprehensive structure for a nongovernmental effort through which the resources of America's private sector constituencies, the separate and autonomous programs of energetic institutions, could be mobilized effectively. Those involved in the Democracy Program recognized from the beginning that to be effective, such a structure should have the involvement of both national political parties, organized labor and the business community, among other private institutions.

Nor was the Democracy Program first to recognize the problem or pioneer in creating solutions. During the 1950's, President Eisenhower, Senators J. William Fulbright and Hubert H. Humphrey, and leaders of the American labor movement, such as George Meany and Walter Reuther, proposed and developed mechanisms to assist democratic institutional development abroad openly and through the private sector.

A decade later, during the months that followed the public revelation in 1967 of the CIA's covert funding of overseas activities by some American private voluntary organizations, the Johnson Administration concluded after careful study that the U.S. Government should totally halt all secret financial subsidies to such nongovernmental groups. At the same time, Johnson officials urged the creation of a new, quasi-autonomous nongovernmental organization to provide public funds openly for the overseas activities of American private sector groups engaged in worthwhile international programs. Anticipating the Johnson proposals, a number of House members, led by Hon. Dante B. Fascell, introduced in April 1967 a bill to create an Institute of International Affairs. Unfortunately, concern over the problem of past covert funding overrode sufficient interest in constructive future solutions beyond terminating all CIA involvement.

Events and institutions in Europe triggered new interest in the possibility of a nongovernmental democracy program during the late 1970's. Americans became committed to participating in the process of monitoring the Helsinki Accords, especially in human rights ("Basket Three") provisions as these affected Soviet bloc behavior. This concern led not only to the creation of the bipartisan Commission on Security and Cooperation in Europe but also to legislation introduced in 1978 to establish an "Institute on Human Rights and Freedoms" (among other bills introduced on similar themes).

Independently, during this same period a number of American political leaders became intrigued by the activities of the German "stiftungen"—the political foundations which now collectively receive over \$150 million annually from the German Bundestag. These four publicly funded foundations in the Federal Republic of Germany are each allied to a major political party. Today, these foundations sponsor efforts in over five dozen countries to encourage the institutional development vital to the emergence of pluralist cultures. The work undertaken by the Konrad Adenauer (CDU), Friedrich Ebert (SPD), Friedrich Naumann (FDU), and Hans Seidel (CSU) foundations has been so effective that the idea of party foundations has spread to countries as diverse as Spain (which recently created its own political foundations after witnessing the helpful

role played by the German foundations in sustaining Spanish democracy), Portugal, Venezuela and the United States.

Similarly, the American labor movement was taking stock of the effects of United States withdrawal from the International Labor Organization (ILO) in 1977. AFL-CIO leaders renewed their longstanding interest in the possibility of expanding the Federation's international work. They explored the possibility of a legislatively-created labor foundation that could disburse public funds to its existing institutes and other organizations doing labor-supported international work.

A number of these interests came together in the spring of 1982 to produce a critical mass of public attention. A study was proposed in a letter to the President by the bipartisan American Political Foundation and the Democratic and Republican Party chairmen to determine ways and means for promoting the growth of democracy and democratic institutions. The letter referred specifically to the German party foundations' "open and effective programs to support democratic political forces throughout the world," and suggested that the study, which would be conducted under the auspices of the bipartisan American Political Foundation, "take up such questions as whether programs should be bipartisan, what, if any, should be the connection with the government, how to handle the tension between maintaining friendly relations with current governments while sowing the seeds of democratic successors, how to encourage domestic pluralistic forces in totalitarian countries, and what levels of resources are required."

President Reagan devoted space to the research study in his June 1982 address to the British Parliament. His comments attracted favorable reactions. Such reservations as emerged centered upon three issues: Concern lest the programs proposed be other than long-range and bipartisan in scope; anxiety that the Administration would attempt to exploit the research study for immediate propaganda purposes in its broader public diplomacy initiatives; and opposition to a dominant political tilt in defining the context and recipients of democratic political assistance. The subsequent recommendations of the Democracy Program study put these fears to rest.

During the summer and fall of 1982, considerable time and energy was devoted to arranging the delicate balance of political and institutional interests within the structure of the research study, in close consultation with the leadership of the two major political parties and the leaders of the AFL-CIO and the U.S. Chamber of Commerce. In the late fall, the Democracy Program study was officially launched with the announcement of a bipartisan executive board and program director. A staff and initial consultants were selected who were broadly representative of the areas of scholarly expertise and political balance required by the study, including representatives of the Democratic Party, the Republican Party, labor and business programs.

Subsequently, the report of the Democracy Program entitled "The Commitment to Democracy: A Bipartisan Approach" was issued. Its recommendations are reflected in this title. Among the functions envisioned for the Endowment are the following: (a) to perform general oversight functions relating to its activities to

insure that the charter's purposes are being met; (b) to evaluate grant proposals from the private sector and to support the collaborative efforts of private sector grantees to design programs which combine their experience and institutional perspectives; (c) to provide scholarships and fellowships which carry out the purposes of the Endowment and support programs designed to teach democratic concepts; (d) to serve as the "umbrella" organization through which the four party, labor and business instrumentalities, enumerated in section 411, may receive funding (in addition to those amounts already earmarked) and within which each one can evolve independently but in a cooperative and collaborative manner; (e) to serve as an intermediary between private sector groups and as a clearinghouse for inquiries and proposals in order to bring groups together and to create new opportunities for democratic assistance.

SECTION 402. ESTABLISHMENT OF THE NATIONAL ENDOWMENT FOR DEMOCRACY

Section 402(a) authorizes the establishment of a private, nonprofit corporation called the National Endowment for Democracy.

Section 402(b) provides that the Endowment will not be considered an agency or establishment of the U.S. Government.

Section 402(c) provides that the Endowment will be subject to the provisions of this title. In addition, to the extent consistent with this title, the Endowment will also be subject to the District of Columbia Nonprofit Corporation Act.

Section 402(d) provides that the principal offices of the Endowment shall be located in the District of Columbia.

SECTION 403. PURPOSES OF THE ENDOWMENT

Section 403(a) outlines the purposes of the Endowment, thus defining the parameters of its activities.

Section 403(a)(1) describes the broad purpose of the Endowment, which is to use private sector initiatives to encourage free and democratic institutions worldwide. This specifically includes activities which promote individual rights and freedoms.

Section 403(a)(2) outlines one of the major methods which will be used by private sector groups carrying out the purposes of the Endowment. The section contemplates the use of exchanges between U.S. private sector groups and democratic groups abroad in order to carry out the purposes of the Endowment. Among the private sector groups which will be involved in such exchanges are the Democratic and Republican parties and U.S. labor and business groups.

Section 403(a)(3) provides for the promotion of U.S. nongovernmental participation generally in democratic training programs and democratic institution-building abroad. Particular mention is made of the major U.S. political parties, labor and business, as well as other private sector groups.

Section 403(a)(4) enunciates the purpose of strengthening democratic electoral processes abroad in cooperation with democratic groups in given country. This arrangement would involve agreement between the relevant groups in the United States and in the host country.

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Section 403(a)(5) states as a purpose of the Endowment support for the participation of the major political parties, labor, business and other U.S. private sector groups to foster cooperation with groups abroad dedicated to the cultural values, institutions and organizations of democratic pluralism.

Section 403(a)(6) states that the activities of the Endowment in encouraging the establishment and growth of democratic development are to be consistent with broad U.S. national interests and with the requirements of democratic groups abroad assisted by programs funded by the Endowment.

Section 403(b)(1) states specifically that the Endowment will provide funds for programs, but will not actually run programs itself.

Section 403(b)(2) states that funding will only be provided for programs meeting the purposes of the Endowment.

Section 403(b)(3) provides that the Endowment and its grantees will be subject to the oversight procedures of the Congress.

SECTION 404. INCORPORATION OF THE ENDOWMENT

Section 404(a) sets forth the 15 initial incorporators of the Endowment. These individuals will take the steps necessary to incorporate the National Endowment for Democracy under the District of Columbia Nonprofit Corporation Act. This includes drafting of the articles of incorporation and the bylaws, which will reflect the provisions of this title. The listed incorporators represent a cross-section of Americans active in business, labor, the major political parties and with expertise in foreign policy law and the like. Section 404(b) provides that the Honorable Dante B. Fascell shall serve as Chairman of the incorporators and interim Chairman of the Endowment until such time as a Chairman is elected under bylaws of the Endowment. It is expected that, during the pendency of the interim chairman, no funds will be disbursed by the Endowment.

SECTION 405. BOARD OF DIRECTORS

Section 405(a) provides that the Endowment will be governed by a 15-member Board of Directors. Following the initial incorporation period, when the Board will consist of those individuals set forth in section 404 above, the Board will be self-perpetuating and elected in accordance with the Endowment's bylaws.

Section 405(b) provides that vacancies in the Board's membership shall not affect its powers. This provision reflects common practice.

Section 405(c) states that members of the Board shall not be deemed to be officers or employees of the United States. The section provides for per diem for the Board members while performing their duties.

SECTION 406. OFFICERS OF THE ENDOWMENT

Section 406(a) provides that the chief executive officer of the Endowment shall be a President appointed by the Board. The President will carry out the daily operations of the Board, and will report to the Board under appropriate guidelines and procedures.

Section 406(b) provides for staff of Endowment. The number and type will be determined by the Board.

Section 406(c) provides that the terms of officers of the Endowment will be set by the Board.

Section 406(d) prohibits officers of the Endowment from receiving compensation from any source other than the Endowment during the period of their employment by the Endowment.

SECTION 407. NONPROFIT NATURE OF THE ENDOWMENT

Section 407(a) precludes the Endowment from issuing stock or paying dividends. This reflects the nonprofit character of the Endowment.

Section 407(b) prohibits any Board member, officer or employee of the Endowment from gaining any personal benefit from the corporate assets of the Endowment, other than from duly authorized compensation.

SECTION 408. RECORDS AND AUDIT OF THE ENDOWMENT AND THE RECIPIENTS OF ASSISTANCE

Section 408 provides for normal auditing procedures for the Endowment and its grantees.

Section 408(a)(1) provides for regular annual audits of the Endowment by independent auditors. The section requires that all appropriate materials be made available for the audit.

Section 408(a)(2) requires that the independent audits are to be included in the annual report required by section 409 below. It further requires that the audit report set forth the scope of the audit and any other statements necessary to present a complete audit picture.

Section 408(b)(1) permits the financial transactions of the Endowment to be audited annually by the General Accounting Office. The section also provides for appropriate access by representatives of the General Accounting Office to materials necessary to the audits.

Section 408(b)(2) requires that the Comptroller General's audit report be sent to the Congress. It may contain such comments and information as the Comptroller General deems necessary to explain the audit. In addition, the report is required to discuss any transaction which, in the opinion of the Comptroller General, has been conducted without legal authority. The section also provides that copies of the audit report be sent to the President and to the Endowment when the report is submitted to the Congress.

Section 408(c)(1) provides that grantees of the Endowment must keep records appropriate to the conduct of an audit.

Section 408(c)(2) provides access to the Endowment or its duly authorized representatives (such as an independent auditor) for the purpose of auditing the records of the grantees. The same access is authorized for the Comptroller General of the United States or his or her duly authorized representatives.

SECTION 409. REPORT TO THE CONGRESS

Section 409 provides for an annual report by the Endowment to the Congress. The report shall be submitted by December 31 of each year and shall include a comprehensive and detailed report of the Endowment's activities, operations, finances and accomplish-

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ments, together with any recommendations the Endowment deems appropriate. The section further requires the Board members and officers of the Endowment to be available to testify before appropriate congressional committees.

SECTION 410. FUNDING FOR THE ENDOWMENT

Section 410 provides the funding mechanism for the Endowment. Subsection (a) provides authority for the Director of the U.S. Information Agency to make grants to the Endowment from the "Salaries and Expenses" account of the agency. Subsection (b) permits the Endowment to use such funds for the purposes of the Endowment without regard to any limitation or guidelines normally imposed by USIA for its grant-making activities.

SECTION 411. ALLOCATION OF FUNDS

Section 411 earmarks specific amounts of money in fiscal years 1984 and 1985 for certain grantees of the Endowment. These include not less than \$5 million for each of the 2 fiscal years for the National Democratic Institute for International Affairs; not less than \$5 million for each of the 2 fiscal years for the National Republican Institute for International Affairs; not less than \$13,800,000 for the Free Trade Union Institute; and not less than \$2,500,000 for support of the private enterprise development programs of the National Chamber Foundation.

TITLE V—FOREIGN MISSIONS AMENDMENTS ACT OF 1983

SECTION 501

This title may be cited as the "Foreign Missions Amendments Act of 1983."

SECTION 502

The Diplomatic Relations Act of 1978 (Public Law 95-393) requires all foreign missions, members of missions and their families and officials of the United Nations entitled to diplomatic immunity to carry liability insurance against risks arising from their operation of motor vehicles, vessels or aircraft in the United States.

Although there has been substantial compliance with the requirements of the Act by the diplomatic community, there have been instances where diplomats have allowed their insurance policies to lapse.

The purpose of this title, introduced as an amendment by Senator Sarbanes, is to assure that all U.S. citizens who are injured by the negligence of an individual with diplomatic immunity, will have an opportunity to recover compensation for their damages.

This section transfers the responsibility for implementing the Act from the Protocol Office to the Office of Foreign Missions. Liability insurance is a reciprocity issue. All U.S. diplomats are required to carry such insurance. All foreign diplomats in the United States should do the same. It is the Committee's view that the Office of Foreign Missions is a more appropriate place to carry out the responsibilities of the Diplomatic Relations Act.

October 20, 1983

CONGRESSIONAL RECORD — SENATE

BALTIMORE DIVISION

adding at the end thereof the following new section:

"Sec. 705. (a) Unless the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate are notified fifteen days in advance of a proposed reprogramming, funds appropriated for the United States Information Agency shall not be available for obligation or expenditure through any such reprogramming of funds—

"(1) which creates new programs;

"(2) which eliminates a program, project, or activity;

"(3) which increases funds or personnel by any means for any project or activity for which funds have been denied or restricted by the Congress;

"(4) which relocates an office or employees;

"(5) which reorganizes offices, programs, or activities; or

"(6) which involves a reprogramming in excess of \$250,000 or 10 per centum, whichever is less, and which (A) augments existing programs, projects, or activities, (B) reduces by 10 per centum or more the funding for any existing program, project, or activity, or personnel approved by the Congress, or (C) results from any general savings from a reduction in personnel which would result in a change in existing programs, activities, or projects approved by the Congress.

"(b) In addition, the United States Information Agency may award program grants for the fiscal year 1984 only if the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate are notified fifteen days in advance of the proposed grant."

FUNDS FOR UNITED STATES-GERMAN TEENAGE EXCHANGE

Sec. 209. There are authorized to be appropriated for the United States Information Agency \$2,500,000 for the fiscal year 1984 and \$2,500,000 for the fiscal year 1985 to carry out a United States-German teenage exchange sponsored by the Members of the United States Congress and the West German Bundestag.

FUNDING FOR UNITED STATES PARTICIPATION IN TSUKUBA, JAPAN EXPOSITION 1985

Sec. 210. In addition to the amount already authorized for Tsukuba, Japan Exposition 1985, \$8,000,000 shall be available for the United States Information Agency for the fiscal year 1984 for use in connection with the Exposition. These funds shall remain available until appropriations are made, and when the funds are appropriated they are authorized to remain available until expended.

DISTRIBUTION WITHIN THE UNITED STATES OF THE USIA FILM ENTITLED "THANKSGIVING IN PESHAWAR"

Sec. 211. (a) Notwithstanding the second sentence of section 501(a), as so redesignated by section 206 of this Act, of the United States Information and Education Exchange Act of 1948 (22 U.S.C. 1461(a))—

(1) the Director of the United States Information Agency shall make available to the Administrator of General Services a master copy of the film entitled "Thanksgiving in Peshawar"; and

(2) upon evidence that necessary United States rights and licenses have been secured and paid for by the person seeking domestic release of the film, the Administrator shall reimburse the Director for any expenses of the Agency in making that master copy available, shall deposit that film in the National Archives of the United States, and shall make copies of that film available for purchase and public viewing within the United States.

(b) Any reimbursement to the Director pursuant to this section shall be credited to the applicable appropriation of the United States Information Agency.

FUNDS FOR OFFICIAL RECEPTIONS AND ENTERTAINMENT EXPENSES

Sec. 212. Notwithstanding any other provision of law not more than \$20,000 of the funds authorized to be appropriated to the United States Information Agency for fiscal year 1984 or fiscal year 1985 shall be available for domestic representation or entertainment expenses, including official receptions.

PROHIBITION OF LOBBYING WITH UNITED STATES FUNDS

Sec. 213. No funds authorized to be appropriated under the provisions of this title shall be used for lobbying or propaganda which is directed to influence public policy decisions of the Government of the United States or any State or locality thereof.

UNITED STATES INFORMATION AGENCY AUDIT REQUIREMENTS

Sec. 214. Paragraph (1) of section 2 of the Inspector General Act of 1978 is amended by adding after "Small Business Administration," the following: "the United States Information Agency."

TITLE III—BOARD FOR INTERNATIONAL BROADCASTING

SHORT TITLE

Sec. 301. This title may be cited as the "Board for International Broadcasting Authorization Act, Fiscal Years 1983, 1984, and 1985."

AUTHORIZATIONS OF APPROPRIATIONS

Sec. 302. Section 8(a)(1)(A) of the Board of International Broadcasting Act of 1973 (22 U.S.C. 2877(a)) is amended to read as follows:

"(A) \$111,600,000 for the fiscal year 1983, \$106,055,000 for the fiscal year 1984, and \$111,251,000 for the fiscal year 1985."

BENEFITS FOR CERTAIN RETIREES AND SURVIVING SPOUSES OF EMPLOYEES OF RADIO FREE EUROPE/RADIO LIBERTY, INCORPORATED

Sec. 303. The Board for International Broadcasting Act of 1973 is amended by adding at the end thereof the following new section:

"BENEFITS FOR CERTAIN RETIREES AND SURVIVING SPOUSES OF EMPLOYEES OF RADIO FREE EUROPE/RADIO LIBERTY, INCORPORATED"

"Sec. 12. Notwithstanding section 8(b), amounts described in such section and held in reserve, but not to exceed \$5,000,000, shall be deposited in a separate account and amounts in such account shall be available, without fiscal year limitation, only to enhance the pensions and cost of living adjustments of individuals who retired from Radio Free Europe/Radio Liberty, Incorporated, before January 1, 1976, and the benefits to which surviving spouses of employees of Radio Free Europe/Radio Liberty, Incorporated, are entitled by virtue of the creditable service of such employees rendered before January 1, 1976."

POLICY ON BROADCASTS OF RADIO FREE EUROPE/RADIO LIBERTY, INCORPORATED AND VOICE OF AMERICA CONCERNING SOVIET RELIGIOUS PERSECUTION

Sec. 304. It is the sense of the Congress that RFE/RL, Incorporated (commonly referred to as Radio Free Europe and Radio Liberty) and the Voice of America (VOA) are to be commended for their news and editorial coverage of the increasing religious persecution in the Soviet Union, including the declining levels of Jewish emigration, and are encouraged to intensify their efforts in this regard.

Sec. 305. None of the funds authorized to be appropriated pursuant to subsection 302 of this act may be used unless—

(1) the Estonian, Latvian and Lithuanian radio services of Radio Free Europe/Radio Liberty are organized as a separate division within Radio Liberty; and

(2) that they begin broadcasts under a name which would accurately reflect United States policy of not recognizing the illegal incorporation of Estonia, Latvia, and Lithuania into the Soviet Union.

FOREIGN CURRENCY GAINS

Sec. 306. Section 8(b) of the Board for International Broadcasting Act of 1973 (22 U.S.C. 2877(a)) is amended to read as follows:

"(b) Any amount appropriated pursuant to subsection (a)(1) of this section which, because of upward fluctuations in foreign currency exchange rates, is in excess of the amount necessary to maintain the budgeted level of operation for Radio Free Europe and Radio Liberty, Incorporated, may, beginning in fiscal year 1983, be merged with and made available for the same time period and same purposes as amounts appropriated pursuant to section 8(a)(2) of this Act."

TITLE IV—NATIONAL ENDOWMENT FOR DEMOCRACY

SHORT TITLE

Sec. 401. This title may be cited as the "National Endowment for Democracy Act."

NATIONAL ENDOWMENT FOR DEMOCRACY

Sec. 402. (a) The Congress finds that there has been established in the District of Columbia a private, nonprofit corporation known as the National Endowment for Democracy (hereafter in this title referred to as the "Endowment") which is not an agency or establishment of the United States Government.

(b) The purposes of the Endowment, as set forth in its articles of incorporation, are—

(1) to encourage free and democratic institutions throughout the world through private sector initiatives, including activities which promote the individual rights and freedoms, including internationally recognized human rights, which are essential to the functioning of democratic institutions;

(2) to facilitate exchanges between United States private sector groups (especially the two major American political parties, labor, and business) and democratic groups abroad;

(3) to promote United States nongovernmental participation, especially through the two major American political parties, labor, business, and other private sector groups, in democratic training programs and democratic institution-building abroad;

(4) to strengthen democratic electoral processes abroad through timely measures in cooperation with indigenous democratic forces;

(5) to support the participation of the two major American political parties, labor, business, and other United States private sector groups in fostering cooperation with those abroad dedicated to the cultural values, institutions, and organizations of democratic pluralism; and

(6) to encourage the establishment and growth of democratic development in a manner consistent both with the broad concerns of United States national interests and with the specific requirements of the democratic groups in other countries which are aided by programs funded by the Endowment.

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CONGRESSIONAL RECORD — SI

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October 20, 1964

GRANTS TO THE ENDOWMENT

SEC. 403. (a) The Director of the United States Information Agency shall make an annual grant to the Endowment with funds appropriated to the Agency for the "Salaries and Expenses" account and the Secretary of Labor may make grants to the Endowment with funds appropriated to the Department of Labor to enable the Endowment to carry out its purposes as specified in section 402(b). Such grants shall be made pursuant to a grant agreement between the Director or Secretary, as the case may be, and the Endowment which requires that grant funds will only be used for activities which the Board of Directors of the Endowment determines are consistent with the purposes described in section 402(b), that the Endowment will allocate funds in accordance with subsection (d) of this section, and that the Endowment will otherwise comply with the requirements of this title. The grant agreement may not require the Endowment to comply with requirements other than those specified in this title.

(b) Funds so granted may be used by the Endowment to carry out the purposes described in section 402(b), and otherwise applicable limitations on the purposes for which funds appropriated to the United States Information Agency or the Department of Labor, as the case may be, may be used shall not apply to funds granted to the Endowment.

(c) Nothing in this title shall be construed to make the Endowment an agency or establishment of the United States Government or to make the members of the Board of Directors of the Endowment, or the officers or employees of the Endowment, officers or employees of the United States.

(d) Of the amounts made available to the Endowment for each of the fiscal years 1984 and 1985 to carry out programs in furtherance of the purposes of this Act—

(1) not less than \$5,000,000 shall be for the National Democratic Institute for International Affairs;

(2) not less than \$5,000,000 shall be for the National Republican Institute for International Affairs;

(3) not less than \$13,800,000 shall be for the Free Trade Union Institute; and

(4) not less than \$2,500,000 shall be to support private enterprise development programs of the National Chamber Foundation.

ELIGIBILITY OF THE ENDOWMENT FOR GRANTS

SEC. 404. (a) Grants may be made to the Endowment under this title only if the Endowment agrees to comply with the requirements specified in this section and elsewhere in this title.

(b)(1) The Endowment may only provide funding for programs of private sector groups and may not carry out programs directly.

(2) The Endowment may provide funding only for programs which are consistent with the purposes set forth in section 402(b).

(c) Officers of the Endowment may not receive any salary or other compensation from any source other than the Endowment during the period of their employment by the Endowment.

(d)(1) The Endowment shall have no power to issue any shares of stock, or to declare or pay any dividends.

(2) No part of the assets of the Endowment shall inure to the benefit of any member of the Board, any officer or employee of the Endowment, or any other individual, except as salary or reasonable compensation for services.

(e)(1) The accounts of the Endowment shall be audited annually in accordance with generally accepted auditing standards

by independent certified public accountants or independent licensed public accountants certified or licensed by a regulatory authority of a State or other political subdivision of the United States. The audits shall be conducted at the place or places where the accounts of the Endowment are normally kept. All books, accounts, financial records, reports, files, and all other papers, things, or property belonging to or in use by the Endowment and necessary to facilitate the audits shall be made available to the person or persons conducting the audits; and full facilities for verifying transactions with any assets held by depositories, fiscal agents, and custodians shall be afforded to such person or persons.

(2) The report of each such independent audit shall be included in the annual report required by subsection (b). The audit report shall set forth the scope of the audit and include such statements as are necessary to present fairly the Endowment's assets and liabilities, surplus or deficit, with an analysis of the changes therein during the year, supplemented in reasonable detail by a statement of the Endowment's income and expenses during the year, and a statement of the application of funds, together with the independent auditor's opinion of those statements.

(f)(1) The financial transactions of the Endowment for each fiscal year may be audited by the General Accounting Office in accordance with such principles and procedures and under such rules and regulations as may be prescribed by the Comptroller General of the United States. Any such audit shall be conducted at the place or places where accounts of the Endowment are normally kept. The representatives of the General Accounting Office shall have access to all books, accounts, records, reports, files, and all other papers, things, or property belonging to or in use by the Endowment pertaining to its financial transactions and necessary to facilitate the audit; and they shall be afforded full facilities for verifying transactions with any assets held by depositories, fiscal agents, and custodians. All such books, accounts, records, reports, files, papers and property of the Endowment shall remain in possession and custody of the Endowment.

(2) A report of each such audit shall be made by the Comptroller General to the Congress. The report to the Congress shall contain such comments and information as the Comptroller General may deem necessary to inform Congress of the financial operations and conditions of the Endowment, together with such recommendations with respect thereto as he may deem advisable. The report shall also show specifically any program, expenditure, or other financial transaction or undertaking observed in the course of the audit, which, in the opinion of the Comptroller General, has been carried on or made contrary to the requirements of this title. A copy of each report shall be furnished to the President and to the Endowment at the time submitted to the Congress.

(g)(1) The Endowment shall ensure that each recipient of assistance provided through the Endowment under this title keeps such records as may be reasonably necessary to fully disclose the amount and the disposition by such recipient of the proceeds of such assistance, the total cost of the project or undertaking in connection with which such assistance is given or used, and the amount and nature of that portion of the cost of the project or undertaking supplied by other sources, and such other records as will facilitate an effective audit.

(2) The Endowment shall ensure that it, or any of its duly authorized representatives, shall have access for the purpose of

audit and examination to any books, documents, papers, and records of the recipient that are pertinent to assistance provided through the Endowment under this title. The Comptroller General of the United States or any of his duly authorized representatives shall also have access thereto for such purpose.

(h) Not later than December 31 of each year, the Endowment shall submit an annual report for the preceding fiscal year to the President for transmittal to the Congress. The report shall include a comprehensive and detailed report of the Endowment's operations, activities, financial condition, and accomplishments under this title and may include such recommendations as the Endowment deems appropriate. The Board members and officers of the Endowment shall be available to testify before appropriate committees of the Congress with respect to such report, the report of any audit made by the Comptroller General pursuant to subsection (f), or any other matter which any such committee may determine.

APPOINTMENT TO THE NATIONAL ENDOWMENT FOR DEMOCRACY

SEC. 405. No individual may be eligible for appointment as an officer of the National Endowment for Democracy, and no individual may be eligible for employment by the Endowment, if such individual has engaged in any intelligence activity since 1963.

COMPENSATION AND TRAVEL EXPENSES

SEC. 406. Notwithstanding any provision of this title, no member of the Board, officer or staff member of the Endowment, other than an elected Member of Congress, shall be entitled to receive compensation or shall be allowed travel expenses for travel made in connection with the Endowment while such person is serving as an officer or employee of the United States.

TITLE V—FOREIGN MISSIONS
AMENDMENTS ACT OF 1983

SHORT TITLE

SEC. 501. This title may be cited as the "Foreign Missions Amendments Act of 1983".

REQUIREMENT FOR LIABILITY INSURANCE

SEC. 502. Section 6 of the Diplomatic Relations Act is amended—

(1) by striking out "President" in subsection (a) and inserting in lieu thereof "Director of the Office of Foreign Missions";

(2) by striking out in subsection (b) "The President shall, by regulation, establish liability insurance requirements" and inserting in lieu thereof "The Director of the Office of Foreign Missions shall, by regulation, establish liability insurance requirements which can reasonably be expected to afford adequate compensation to victims and which are"; and

(3) by striking out "President" in subsection (c) and inserting in lieu thereof "Director of the Office of Foreign Missions".

ENFORCEMENT OF COMPLIANCE WITH LIABILITY INSURANCE REQUIREMENTS

SEC. 503. Title II of the State Department Basic Authorities Act of 1956 is amended by inserting after section 204 the following:

"ENFORCEMENT OF COMPLIANCE WITH
LIABILITY INSURANCE REQUIREMENTS

"SEC. 204A. (a)(1) The head of a foreign mission shall notify promptly the Director of the lapse or termination of any liability insurance coverage held by a member of the mission, by a member of the family of such member, or by an individual described in section 19 of the Convention on Privileges and Immunities of the United Nations of February 13, 1946.

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